

STATE OF CALIFORNIA



BUREAU OF REAL ESTATE

Real Estate MATTERS!

MULTI-LENDER TRANSACTION NOTICE

RE 860 (Rev. 10/13)

GENERAL INFORMATION

- ❖ This notice is filed pursuant to Section 10238 of the Business and Professions Code (BPC).
- ❖ AN AMENDED NOTICE MUST BE FILED BY THE BROKER WITHIN 30 DAYS OF ANY MATERIAL CHANGE IN THE INFORMATION REQUIRED TO BE SET FORTH HEREIN.
- ❖ Mail this completed notice to:
Bureau of Real Estate
Mortgage Loan Activities
P.O. Box 137000
Sacramento, CA 95813-7000

MULTI-LENDER TRANSACTION NOTICE

CHECK ONE

☐ ORIGINAL NOTICE ☐ AMENDED NOTICE

1. NAME OF BROKER CONDUCTING TRANSACTION UNDER BPC SECTION 10237

2. BROKER LICENSE ID #

3. MONTH FISCAL YEAR ENDS

4. BROKER'S TELEPHONE NUMBER

5. FIRM NAME (IF DIFFERENT FROM 1)

6. ADDRESS OF MAIN LOCATION (STREET, CITY, STATE, ZIP)

7. MAILING ADDRESS (STREET, CITY, STATE, ZIP CODE)

8. SERVICING AGENT – IDENTIFY BY NAME, ADDRESS, AND TELEPHONE NUMBER THE PERSON OR ENTITY WHO WILL ACT AS THE SERVICING AGENT IN TRANSACTIONS PURSUANT TO BPC SECTION 10238 (INCLUDING THE UNDERSIGNED BROKER IF THAT IS THE CASE)

9. TOTAL NUMBER OF MULTI-LENDER NOTES ARRANGED

10. TOTAL NUMBER OF INTERESTS SOLD TO INVESTORS ON THE MULTI-LENDER'S NOTES

11. INSPECTION OF TRUST ACCOUNT – BEFORE ANSWERING THIS QUESTION, REVIEW THE PROVISIONS OF PARAGRAPH (3) OF SUBDIVISION (K) OF BPC SECTION 10238. (SEE PAGE 2.)
CHECK ONLY ONE OF THE FOLLOWING:

☐ The undersigned broker is (or expects to be) required to file reports of inspection of its trust account(s) with the Real Estate Commissioner pursuant to paragraph (3) of subdivision (k) of BPC Section 10238.

- Amount of multi-lender payments collected in the last fiscal quarter: _____
- Total number of investors due payments in the last fiscal year: _____

☐ The undersigned broker is NOT (or does NOT expect to be) required to file reports of inspection of its trust account(s) with the Real Estate Commissioner pursuant to paragraph (3) of subdivision (k) of Section 10238.

CERTIFICATION

SIGNATURE

DATE

»

PRINTED NAME OF PERSON SIGNING THIS NOTICE

SIGNATURE OF BROKER OR DESIGNATED OFFICER OF CORPORATION

DATE

»

PRINTED NAME OF BROKER OR DESIGNATED OFFICER OF CORPORATION

Section 10238(k) of the Business and Professions Code

(k) The notes or interests shall be sold subject to a written agreement that obligates a licensed real estate broker, or a person exempted from the licensing requirement for real estate brokers under this chapter, to act as agent for the purchasers or lenders to service the note or notes and deed of trust, including the receipt and transmission of payments and the institution of foreclosure proceedings in the event of a default. A copy of this servicing agreement shall be delivered to each purchaser. The broker shall offer to the lenders or purchasers the services of the broker or one or more affiliates of the broker, or both, as servicing agent for each transaction conducted pursuant to this article. The agreement shall require all of the following:

(1) (A) That payments received on the note or notes be deposited immediately to a trust account maintained in accordance with this section and with the provisions for trust accounts of licensed real estate brokers contained in Section 10145 and Article 15 (commencing with Section 2830.1) of Chapter 6 of Title 10 of the California Code of Regulations.

(B) That payments deposited pursuant to subparagraph (A) shall not be commingled with the assets of the servicing agent or used for any transaction other than the transaction for which the funds are received.

(2) That payments received on the note or notes shall be transmitted to the purchasers or lenders pro rata according to their respective interests within 25 days after receipt thereof by the agent. If the source for the payment is not the maker of the note, the agent shall inform the purchasers or lenders of the source for payment. A broker or servicing agent who transmits to the purchaser or lenders the broker's or servicing agent's own funds to cover payments due from the borrower but unpaid as a result of a dishonored check may recover the amount of the advances from the trust fund when the past due payment is received. However, this article does not authorize the broker, servicing agent, or any other person to issue, or to engage in any practice constituting, any guarantee or to engage in the practice of advancing payments on behalf of the borrower.

(3) If the broker or person who is or becomes the servicing agent for notes or interests sold pursuant to this article upon which the payments due during any period of three consecutive months in the aggregate exceed one hundred twenty-five thousand dollars (\$125,000) or the number of persons entitled to the payments exceeds 120, the trust account or accounts of that broker or affiliate shall be inspected by an

independent certified public accountant at no less than three-month intervals during the time the volume is maintained. Within 30 days after the close of the period for which the review is made, the report of the accountant shall be forwarded as provided in paragraph (6) of subdivision (j). If the broker is required to file an annual report pursuant to subdivision (o) or pursuant to Section 10232.2, the quarterly report pursuant to this subdivision need not be filed for the last quarter of the year for which the annual report is made. For the purposes of this subdivision, an affiliate of a broker is any person controlled by, controlling, or under common control with the broker.

(4) Unless the servicing agent will receive notice pursuant to Section 2924b of the Civil Code, the servicing agent shall file a request for notice of default upon any prior encumbrances and promptly notify the purchasers or lenders of any default on the prior encumbrances or on the note or notes subject to the servicing agreement.

(5) The servicing agent shall promptly forward copies of the following to each purchaser or lender:

(A) Any notice of trustee sale filed on behalf of the purchasers or lenders.

(B) Any request for reconveyance of the deed of trust received on behalf of the purchasers or lenders.